



MCI Telecommunications
Corporation
1801 Pennsylvania Avenue, NW
Washington, DC 20006
202 872 1600

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

December 30, 1994

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Mr. William F. Caton
Secretary
Federal Communications Commission
Room 222
1919 M Street, N.W.
Washington, D.C. 20554

Re: In the Matter of BellSouth Telecommunications Company
Transmittal No. 253; CC Docket No. 94-97

Dear Mr. Caton:

Enclosed herewith for filing are the original and four (4) copies of MCI Telecommunications Corporation's Petition to Suspend and Investigate regarding the above-captioned matter.

Please acknowledge receipt by affixing an appropriate notation on the copy of the MCI Petition to Suspend and Investigate furnished for such purpose and remit same to the bearer.

Sincerely yours,

Don Sussman
Regulatory Analyst

Enclosure
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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of:)	
)	
Virtual Expanded Interconnection Tariffs)	CC Docket No. 94-97
)	
BellSouth Telecommunications)	Transmittal No. 253
Tariff F.C.C. No. 1)	

PETITION OF MCI FOR SUSPENSION AND INVESTIGATION

I. INTRODUCTION

MCI Telecommunications Corporation ("MCI") respectfully requests that the Commission suspend and investigate the above-captioned virtual collocation transmittal filed by BellSouth Telecommunications ("BellSouth") on December 23, 1994.¹ In this transmittal, BellSouth proposes to replace references to individual case basis pricing for training with a schedule of specific charges. The rates, terms, and conditions that BellSouth proposes do not ensure that interconnectors' costs are the "lowest reasonably available," as required by the

¹Suspension and investigation of a proposed tariff or tariff modification is warranted when significant questions of unlawfulness arise in connection with the tariff. See AT&T Transmittal No. 148, Memorandum Opinion and Order, FCC 84-421 (released Sept. 19, 1984); ITT, 73 FCC 2d 709, 719 (1979); AT&T, 46 FCC 2d 81, 86 (1974); see also Arrow Transportation Company v. Southern Railway Company, 372 U.S. 658 (1963).

Commission's Virtual Collocation Order.² The Commission should, therefore, suspend and investigate BellSouth's Transmittal No. 253 and include this transmittal in the ongoing investigation into virtual collocation tariffs for the explicit purpose of designating an issue for investigation on the reasonableness of BellSouth's training rates, terms, and conditions.

II. BACKGROUND

On December 9, 1994, the Common Carrier Bureau ("Bureau") released its Order, which, among other things, stated that the tariff revisions filed by BellSouth, GTE System Telephone Companies ("GTSC"), GTE Telephone Operating Companies ("GTOC"), and Southwestern Bell Telephone Company ("SWBT"), which provide for individual case basis ("ICB") pricing for training of local exchange carrier ("LEC") personnel to install, maintain, and repair interconnector-designated virtual collocation equipment, are unlawful.³ The Bureau also ordered these LECs to file revisions to their virtual collocation tariffs no later than December 23, 1994, deleting any references to ICB pricing for training, and replacing them with specific rates or time and materials.⁴ On

²Expanded Interconnection with Local telephone Company Facilities, CC Docket No. 91-141, Memorandum Opinion and Order, 9 FCC Rcd 5154 (1994) ("Virtual Collocation Order") at ¶ 124.

³Virtual Collocation Suspension and Investigation Order, CC Docket No. 94-97, DA 94-1421, released December 9, 1994.

⁴Id. at ¶ 80.

December 22, 1994, GTSC and GTOC filed their revised tariffs.⁵ SWBT and BellSouth filed their revised tariffs on December 23, 1994.⁶

III. COLLOCATORS SHOULD BE CHARGED THE ACTUAL COST OF TRAINING

Unlike GTSC, GTOC, and SWBT, BellSouth's proposed training rates, terms, and conditions do not ensure that the interconnectors' costs are the "lowest reasonably available." BellSouth states in its Transmittal No. 253 (20.30.1(H)) that "[w]hen collocator-provided/Telephone Company leased equipment (hardware and/or software) is not identical to that already in use in the Telephone Company location," the following rates will apply:⁷

<u>Training, Per Trainee</u>	<u>Nonrecurring Charges</u>
-Living Expenses, per day	\$136.67
-Labor rate, per hour or fraction thereof	
Basic Time	\$61.28
Overtime	\$71.54
Premium Time	\$81.80
-Air Fare/Travel Expense, per trip	\$555.00

BellSouth's estimates of Air Fair/Travel Expenses provide evidence that its proposed training rates are excessive and not in compliance with the Commission's directive. For example, BellSouth bases the Air Fare/Travel

⁵GTSC Transmittal No. 132 and GTOC Transmittal No. 938, respectively.

⁶SWBT Transmittal No. 2413 and BellSouth Transmittal No. 253, respectively.

⁷BellSouth Transmittal No. 253, (section 20.31.(G)).

Expenses on "the average round-trip airfare based on seven days advance notice between three major cities in the BellSouth region and seven cities where training is expected to be held."⁸ Besides not mentioning which cities it used to determine the average cost of Air Fare/Travel Expenses, BellSouth has failed to explain why December 1994 airfares should become the basis of travel charges in an extremely volatile airfare market. Furthermore, since many collocators will more than likely plan for their training obligations more than seven days in advance, it makes no sense that BellSouth relied on seven day advance purchased prices rather than fourteen day advanced purchase prices. Typically, fourteen day advance ticket purchases are at least ten percent lower than the seven day advanced purchase prices used by BellSouth.⁹

BellSouth should charge interconnectors only for expenses that are actually incurred. It should base Airfare/Travel Expenses on receipts and/or ticket stubs, and it should base Living Expenses on receipts and a set per diem for food and miscellaneous expenses. GTSC and GTOC offer such a basis for their rates, proposing that travel expenses associated with training be charged to the interconnecting customer based directly on ticket stubs and/or receipts.¹⁰ Furthermore, BellSouth should explain why its average airplane ticket is \$555.

⁸BellSouth Transmittal No. 253 at A-1 & A-2.

⁹For example, 7 and 14 day pre-purchased round-trip tickets between Nashville and Miami cost \$418 and \$378, respectively (December 29, 1994 price quote from American Airlines).

¹⁰GTOC and GTSC Transmittals 938 and 132, respectively.

Today, one can fly from Atlanta, GA (BellSouth's Headquarters) all the way to San Francisco, CA for less than BellSouth claims is the average cost for a ticket to fly within the BellSouth region (which is where most training would be expected to be held).¹¹ Also, new regional airlines, such as ValueJet -- also headquartered in Atlanta -- offer many round-trip fares at the low price of \$100. Clearly, BellSouth has overestimated these costs.

The Bureau should require BellSouth to base its training fees on actual costs to ensure that interconnectors are not being overbilled for training LEC employees. Additionally, the Bureau should suspend and investigate BellSouth's proposed training tariffs and require BellSouth to provide the cost support on which it bases its proposed rates for training.

IV. COLLOCATORS SHOULD BE GIVEN THE OPPORTUNITY TO PROVIDE TRAINING ARRANGEMENTS

As has been previously mentioned, the Commission stated in its Virtual Collocation Order that "[a]ny costs incurred above the lowest reasonably available price are not prudently incurred, and thus should not be reflected in the LECs' rates."¹² One way that the Bureau could ensure that collocators are not being charged too much for training-related expenses (i.e., travel expenses)

¹¹Even on short notice, during peak holiday travel, one can purchase a round-trip ticket between Atlanta and San Francisco for \$524 (December 29, 1994, price quote from American Airlines).

¹²Virtual Collocation Order at ¶124.

is to require BellSouth to give interconnectors the option to manage the training themselves. Such a model has been presented in SWBT's Transmittal No. 2413, where it states that:

If the interconnector does not have the Telephone Company arrange for the required training, the interconnector may assume the responsibility for providing the training.¹³

By requiring such terms and conditions for training, the collocater will not be captive to the rates charged by the LEC. If the LEC charges too much, then the collocater can arrange for training (e.g., find discounted plane tickets and hotel lodging). The collocater certainly would not delay, nor would it inflate the costs, because both such actions would be self-defeating. Moreover, such an alternative would allow collocaters to minimize their expenses, without adversely affecting the LEC.

¹³Southwestern Bell Telecommunications Transmittal No. 2413, section 25.2.2.

V. CONCLUSION

BellSouth's proposed training rates, terms and conditions do not guarantee interconnectors the lowest available rates. Accordingly, for the above-mentioned reasons, MCI requests that the Commission suspend and investigate BellSouth Transmittal No. 253, filed December 23, 1994.

Respectfully submitted,
MCI TELECOMMUNICATIONS CORPORATION

A handwritten signature in black ink, appearing to read "Don Sussman", with a long horizontal flourish extending to the right.

Don Sussman
Regulatory Analyst
1801 Pennsylvania Ave., NW
Washington, D.C. 20006
(202) 887-2779

December 30, 1994

STATEMENT OF VERIFICATION

I have read the foregoing and, to the best of my knowledge, information, and belief, there is good ground to support it, and it is not interposed for delay. I verify under penalty of perjury that the foregoing is true and correct. Executed on December 30, 1994.

A handwritten signature in black ink, appearing to read 'Don Sussman', written over a horizontal line.

Don Sussman
1801 Pennsylvania Avenue, NW
Washington, D.C. 20006
(202) 887-2779

CERTIFICATE OF SERVICE

I, Barbara Nowlin, do hereby certify that copies of the foregoing Petition to Suspend and Investigate were sent via first class mail, postage paid, to the following on this 30th day of December 1994.

Kathleen Wallman
Chief, Common Carrier Bureau
Federal Communications Commission
Room 500
1919 M Street, N.W.
Washington, D.C. 20554**

Peggy Reitzel
Federal Communications Commission
Room 544
1919 M Street, N.W.
Washington, D.C. 20554**

Kathleen Levitz
Federal Communications Commission
Room 500
1919 M Street, N.W.
Washington, D.C. 20554**

**J.K. Brinkley
Director
Interconnection/Interexchange
Carriers and Operator Services
BellSouth Telecommunications
Southern Bell Center
675 West Peachtree St., NE
Atlanta, GA 30375**

Geraldine Matise
Acting Chief, Tariff Division
Federal Communications Commission
Room 518
1919 M Street, N.W.
Washington, D.C. 20554**

**Thomas a Pajda
Robert M Lynch
Richard C Hartgrove
Attorneys for
Southwestern Bell
Telephone Company
One Bell Center, Suite 3520
St. Louis, Missouri 63101**

Ann Stevens
Federal Communications Commission
Room 518
1919 M Street, N.W.
Washington, D.C. 20554**

**Frank Panek
Attorney for Ameritech
Services, Inc.
2000 W. Ameritech Ctr. Dr.
Office 4H84
Hoffman Estates, IL 60196-1025**

David Nall
Deputy Chief, Tariff Division
Federal Communications Commission
Room 518
1919 M Street, N.W.
Washington, D.C. 20554**

**Michael Lowe
Lawrence W. Katz
Bell Atlantic Telephone
Companies
1710 H Street, NW
Washington, DC 20006**

Judy Nitsche
Federal Communications Commission
Room 514
1919 M Street, N.W.
Washington, D.C. 20554**

Helen A. Shockey
BellSouth Telecommunications,
Inc.
4300 Southern Bell Ctr.
675 W. Peachtree St., NE
Atlanta, GA 30375

William Baskett
Frost & Jacobs
Counsel for Cincinnati
Bell Telephone Co.
2500 Central Trust Center
201 E. Fifth St.
Cincinnati, OH 45202

Richard McKenna
GTE Service Corporation
600 Hidden Ridge; E03J36
Irving, TX 75038

Gail L. Polivy
GTE Service Corporation
1850 M St., NW, Ste. 1200
Washington, DC 20036

F. Gordon Maxson
Attorneys for GTE Service
Corporation & Its
Affiliated GTE Domestic
Telephone Operating
Companies
1850 M St., NW, Suite 1200
Washington, DC 20036

Jay C. Keithley
United Telecommunications,
Inc.
VP-Law/External Affrs.
1850 M St., NW, Ste. 1110
Washington, DC 20036

W. Richard Morris
United Telephone Companies
PO Box 11315
Kansas City, MO 64112

Carol Sulkes
Central Telephone Co.
8745 Higgins Rd.
Chicago, IL 60631

C. Dean Durtz
VP-Regulatory Policy
Central Telephone Co.
8745 Higgins Rd.
Chicago, IL 60631


Theodore D. Frank
Vonya B. McCann
Attorneys for
Central Telephone Co.
Arent Fox Kintner Plotkin
& Kahn
1050 Connecticut Ave., NW
Washington, DC 20036-5339

Leon M. Kestenbaum
H. Richard Juhnke
US Sprint Communications
Co., Limited Partnership
1850 M. St., NW, 11th Fl.
Washington, DC 20036

Kathryn Marie Krause
Attorney for U S West
Communications, Inc.
1020 19th St., NW, Ste. 700
Washington, DC 20036

Dana A. Rasmussen
Lawrence E. Sarjeant
U S West Communications
1020 19th St., NW, Ste. 700
Washington, DC 20036

Hand Delivered**


Barbara Nowlin